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CENTRAL INTELLIGENCE AGENCY

WASHINGTON 25, D. C.

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OFFICE OF THE DEPUTY DIRECTOR (INTELLIGENCE)

19 September 1963

MEMORANDUM FOR THE UNITED STATES INTELLIGENCE BOARD

SUBJECT: Review of Intelligence Reporting on the Situation
in South Vietnam

In accordance with the Director's instruction at
the USIB meeting on 18 September, I am sending to each
USIB principal the attached review of the Intelligence
Community's record of reporting on the situation in South
Vietnam.

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RAY S. CLINE
Deputy Director (Intelligence)

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GROUP 1
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ANNEX: Intelligence Reporting on the Political Situation in South Vietnam, 1 June 62 - 21 August 63

1. For several years prior to the outbreak of the Buddhist crisis in May 1963, the intelligence community had believed, and regularly reported to the highest levels of government, that the Diem regime in South Vietnam had serious political liabilities, that it was autocratic, inefficient, and increasingly unpopular, and that the potential for its overthrow existed.

2. The Director of Central Intelligence, returning from a visit to Southeast Asia in June 1962, reported to the Special Group as follows:

Apparently, dissatisfaction with the Diem regime continues as evidenced by Diem's own serious concern over a coup. Diem family rule, his recent restrictive legislation, and concern over security, all are creating dissatisfaction and are contributing factors. A coup attempt, whether successful or not, would probably adversely affect the anti-Viet Cong effort.

3. Since June 1962, the basic judgment that military success was being seriously hampered, if not precluded, by counterproductive GVN political practices has been repeatedly spelled out in many intelligence assessments of South Vietnam. The following paragraphs present the key judgments of the principal such assessments.

National Intelligence Estimates

4. NIE 53-63:

a. The question of GVN (Government of Vietnam) political problems was a key issue in debate last winter and spring in the intelligence community's production of NIE 53-63 ("Prospects in South Vietnam"). As part of a special procedure employed at that time to solicit the views of the chief interested US officials, a senior CIA officer was sent to Saigon to review the draft estimate on the scene. His team concluded (in a report disseminated to White House Staff) that:

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We also are concerned over the longer-run prospect for Vietnamese self-dependence. However, we also believe that the difficulties imposed by the Diem regime are over-stressed when considered in the context of the current situation and we doubt that these problems can be redressed at this time without risking a possibly fatal setback to the entire effort in South Vietnam. ...

The present government has increased its efficiency and, in any case, is probably no worse and may be better than most of our counter-insurgency list. This is not to say that it's a good government by our standards--it is to say that if we expect to get involved in counter-insurgency situations in fact as well as theory, we must learn how to win with the type of governments likely to be found in these countries with such improvements as we can gradually provide.

b. The final NIE, approved by USIB on 17 April--prior to the outbreak of the Buddhist controversy--stressed that the situation was "fragile":

...It can, of course, be argued that only a highly centralized regime, single-mindedly dedicated to independence, and placing a heavy emphasis on personal loyalty, can cope with the problems of guerrilla warfare. However, we believe that a greater willingness on the part of the regime to enlist the active support of those who have become disaffected or discouraged in the face of Diem's techniques of government would considerably speed the reduction of the Viet Cong insurgency...

But the government must be both willing and able to expand its efforts to bring social, political, and economic improvements to the countryside if the peasant is to recognize a stake in the survival of the government and to be fortified against Communist blandishments. Effective action in this and other fields, particularly with the removal of a substantial US presence at all levels of the government, would almost certainly require

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a wider participation in the development and implementation of policy and a considerable reduction in the tight, personal control of the bureaucracy.

On the basis of its past performance, the ability of the Diem regime to move willingly and effectively in these directions is questionable, and may become even more so should military victory come within sight...

5. SNIE 53-2-63 ("The Situation in South Vietnam," 10 July 1963) focused explicitly on the questions of the GVN's political stability and viability, and of US-GVN relationships. The USIB-agreed SNIE warned in particular that GVN handling of the Buddhist issue to date had already provided a focal point for public discontent, and that the GVN would probably proceed to handle the Buddhist issue in a manner which would produce a major political crisis.

6. Additionally, O/NE Memoranda for the Director (of 4 October 1962 and of 17 May 1963) were disseminated to the White House Staff.

a. The October memo concluded that "until the GVN enlists much more active public support of its cause than now exists, we believe that the VC threat cannot be reduced to a point which will permit the bulk of US personnel now committed in South Vietnam to be withdrawn."

b. The May memorandum signaled the sharp rise in GVN sensitivity concerning the growing US presence throughout South Vietnam, stated that Nhu had gained key influence in GVN affairs and was the chief source of hostility to the US, and concluded that the prospects were not bright for restoring close US-GVN relationships at all levels.

Current Intelligence Reporting

7. These views of the South Vietnamese government were also implicit in CIA's current intelligence reporting. Until the Buddhist crisis, however, political vulnerabilities of the regime remained largely potential, new developments were few, and changes in the political atmosphere were amorphous. Under these

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circumstances, the volume of current reporting on Vietnamese domestic politics was relatively small. (Military aspects of the situation were fully reported throughout this period). Once events began to move rapidly as a result of the regime's mishandling of the incidents in Hué, there was a large volume of current reporting.

8. CIA current publications were stating in strong terms the seriousness of the Buddhist crisis, and the threat it posed to the Diem regime by early June. They continued through the summer to report on this subject. Between 10 May and 21 August,

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and its implications. CIA publications stressed the following themes:

- a. Diem's unwillingness to come to terms with the Buddhists.
- b. Increasing popular opposition to this policy.
- c. Growing political orientation of the Buddhists.
- d. The disruptive influence of the Nhu's.
- e. Military plotting against the regime.

9. Excerpts from this reporting are attached as an appendix.

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APPENDIX

17 September 1963

Excerpts from Current Intelligence Reporting

1. Before the incidents in Hué, 8 May 1963.

a. The Current Intelligence Weekly Review (CIWR), 22 June 62: "Oppositionists in Saigon and in Paris are plotting Diem's overthrow. While such maneuvering, without South Vietnamese army backing, poses little direct threat to Diem, military officers remain dissatisfied with the President."

b. Current Intelligence Memorandum, 19 July 62: "While individual Vietnamese officials are strongly pro-American, the government is nationalistic and feels little kinship with democratic practices. A vocal intellectual group has scored Diem's autocratic and highly centralized rule, and even government officials have voiced concern that interference in military command and inadequate administration have contributed to growing Viet Cong success. A constant possibility is the assassination or overthrow of Diem by non-Communist opponents or by such groups in cooperation with the Viet Cong. To be successful a coup probably requires military backing. There is, however, no apparent popular or strong alternative leader to Diem on the horizon."

c. The Central Intelligence Bulletin (CIB), 3 November 62: "A number of top South Vietnamese military figures apparently still believe that the security situation requires drastic political changes. One of the country's three area commanders, General Dinh, stated that the public had lost confidence in President Diem and his brother Nhu because of their continued toleration of corruption in high circles."

d. CIWR, 25 January 63: "The overall effectiveness of the counterinsurgency effort continues to be blunted by the government's political methods. Control measures designed to guard against disloyalty have hobbled the combat effectiveness of the military forces. In some areas inept administration of counterinsurgency programs has antagonized the peasantry. The regime's internal image

has also been damaged by its insensitivity to real or fancied popular grievances or to issues of public concern such as corruption."

e. CIB, 11 March 63: "The anti-American feelings of Ngo Dinh Nhu, President Diem's brother and chief political adviser, appear to be sharpening."

f. Briefing of the House Armed Services Committee, 27 March 63: "With US help, SVN probably stands a good chance to contain the Communists militarily. However, the Diem government's methods of operating have reduced its effectiveness, politically and militarily. The Diem government has alienated many educated Vietnamese, and failed to win positive loyalty from its people. It is unlikely that US involvement can be substantially curtailed or a lasting reduction in the Communist threat achieved so long as present political conditions persist."

2. After 8 May

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b. CIB, 11 May 63: "An outbreak of government sentiment among Buddhists in the major northern city of Hué on 8 May could have serious repercussions."

c. CIB, 21 May 63: The Diem government's handling of the Buddhist problem so far has been inept, and there is danger of disaffection within the security forces."

d. CIWR, 24 May 63: "The Diem government has aroused the hostility of Buddhists, who comprise the bulk of the population...."



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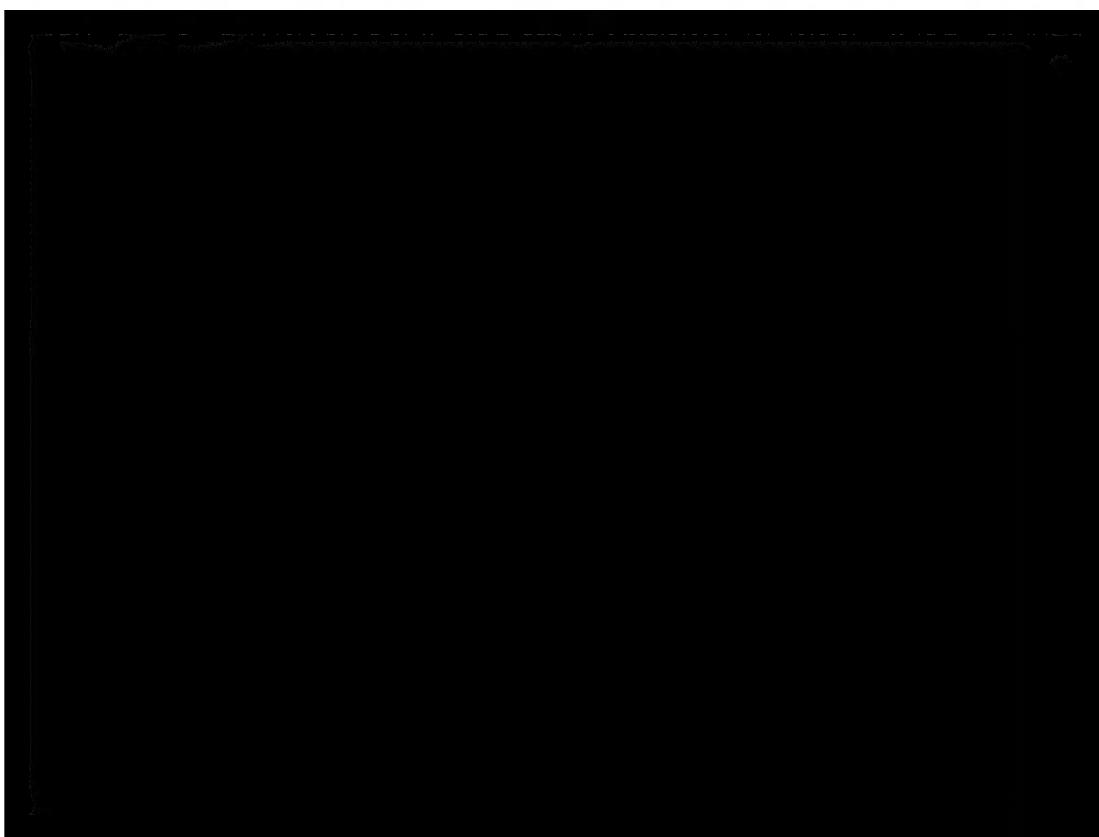
g. CIB, 10 Jun 63: "There are signs that the Diem government intends to follow a firm policy toward Buddhist agitators despite a tentative agreement of both sides to end provocations..."

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i. CIB, 1 Jul 63: "Dissension appears to be spreading within the South Vietnamese government. An American observer who recently talked with Nhu received the impression that he would move against Diem if he feels that the regime has become 'servile' to the US."

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